

UNDERSTANDING THE PPP LOAN FORGIVENESS APPLICATION

Some Housekeeping Items:

- All participants have been placed on mute.
- All registrants will receive a follow up e-mail with a link to the recorded webinar and any training documentation.
- Stay updated and register for upcoming webinars on our COVID-19 INFO Center here: <https://ctrhcm.com/home/covid-19-information-center/>
- This training is intended for educational and informational purposes. We hope that you learn a lot but the information should not be construed as legal or tax advice.
- If you have any questions or want to request training, please e-mail training@ctrhcm.com

AGENDA

- ❖ Key Clarifications and Insights from the PPP Loan Forgiveness Application
- ❖ Walk Through the PPP Loan Application
- ❖ How will CTR and iSolved help?

CLARIFICATION FOR COVERED PERIOD

Issue: The 8 Week Covered Period was to begin on the date you received the loan proceeds.

Clarification: Employer with a **biweekly or more frequent** payroll schedules may use an Alternative Payroll Period for calculating the Payroll Costs. This will start on the first day of the first pay period following loan disbursement and will continue for 8 weeks.

Limitations:

- If you choose to use the Alternative Covered Period, you must use this same period throughout the Loan Application
- You must still use the standard Covered Period to calculate the non-payroll costs (rent, utilities, etc.)

CLARIFICATION FOR HANDLING YOUR FINAL PAY

Issue: The Cares Act states that payroll costs paid and incurred during the 8-Week covered period are eligible for forgiveness. Employers' last pay period of their 8-Week period extends beyond the 8-Week period. How should we handle this final payroll?

Clarification: Payroll costs are considered **paid** the day paychecks are distributed (i.e. pay date). Payroll costs are considered **incurred** on the day the employee's pay is earned. **Payroll costs incurred but not paid during the last pay period of the 8-week covered period are eligible for forgiveness if paid on or before the next regular payroll date.**

CLARIFICATION ON INCLUSION OF NON-PAYROLL COSTS

Issue: Employers have bills that were incurred during the 8-Week Period but are not due to be paid until after

Clarification: Employers may include

- ❖ Nonpayroll costs paid during the Covered Period
- ❖ Nonpayroll costs incurred during the Covered Period but paid on or before the next regular billing cycle.

REAL AND PERSONAL PROPERTY INCLUDED

Issue: The CARES Act allowed borrowers to include Rent and Interest on Mortgage payments on “Property.” What about personal property?

Clarification: You may include Real and Personal Property for both rent and interest on mortgage payments

CALCULATION OF FTES

Issue: What exactly is an FTE?

Clarification: The hours threshold for determining an FTE is 40 hours per week. The SBA provides two options to calculate FTES

Average FTE: This calculates the average full-time equivalency (FTE) during the Covered Period or the Alternative Payroll Covered Period. For each employee, enter the average number of hours paid per week, divide by 40, and round the total to the nearest tenth. The maximum for each employee is capped at 1.0. A simplified method that assigns a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours may be used at the election of the Borrower.

FIRST METHOD

Jane: 40 per Week/40 = 1
Tom: 55 per Week/40= 1.375 (Capped at 1)
Sarah: 32 per Week/40= 0.8
John: 17 per Week/40= 0.4

“SIMPLIFIED” METHOD

Jane: 40 per Week/40 = 1
Tom: 55 per Week/40= 1.375 (Capped at 1)
Sarah: 32 per Week/40= 0.5
John: 17 per Week/40= 0.5

Note: When comparing different periods you must use the same calculation method

CALCULATION OF FTES



Issue: What about employees who voluntarily resign during the 8-Week Covered Period?

Clarification: Reductions due to the following scenarios will **NOT** reduce a borrower's loan forgiveness:

- ❖ Any position for which the employer made a good faith written offer to rehire the employee during the Covered Period or Alternative Covered Period which was rejected by the employee (**be sure it is in writing See FAQ 40**)
- ❖ Any employee who was fired for cause, voluntarily resigned, or voluntarily requested and received a reduction in his or her hours during the Covered Period or Alternative Covered Period (**Note: be sure to document**)

SALARY/WAGE REDUCTION CALCULATIONS

Issue 1: If I compare wages during the 8-Week Period to the 1 Quarter of 2020, that is an “apples to oranges” comparison as there are more weeks in Quarter 1. The result will be a wage reduction for most all employees.

Clarification: Employers may use an average annual salary or hourly wage to compare the 8-Week Covered or Alternative Covered Period to the Quarter 1 2020 Wages.

UNDERSTANDING THE PPP LOAN APPLICATION

UNDERSTANDING THE PPP LOAN APPLICATION

LOAN FORGIVENESS APPLICATION INSTRUCTIONS FOR BORROWERS

To apply for forgiveness of your Paycheck Protection Program (PPP) loan, you (the Borrower) must complete this application as directed in these instructions, and **submit it to your Lender** (or the Lender that is servicing your loan). Borrowers may also complete this application electronically through their Lender.

This application has the following components: (1) the **PPP Loan Forgiveness Calculation Form**; (2) **PPP Schedule A**; (3) the PPP Schedule A Worksheet; and (4) the (optional) PPP Borrower Demographic Information Form. All Borrowers must submit (1) and (2) to their Lender.

You will need to submit:

- (1) PPP Loan Forgiveness Calculation Form and
- (2) PPP Schedule A

LOAN FORGIVENESS CALCULATION FORM



Paycheck Protection Program Loan Forgiveness Application

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower")	DBA or Tradename, if applicable	
Business Address	Business TIN (EIN, SSN)	Business Phone
	() -	
	Primary Contact	E-mail Address

SBA PPP Loan Number: _____ Lender PPP Loan Number: _____

PPP Loan Amount: _____ PPP Loan Disbursement Date: _____

Employees at Time of Loan Application: _____

Employees at Time of Forgiveness Application: _____

EIDL Advance Amount: _____ EIDL Application Number: _____

Payroll Schedule: The frequency with which payroll is paid to employees is:

☐ Weekly ☐ Biweekly (every other week) ☐ Twice a month ☐ Monthly ☐ Other _____

Covered Period: _____ to _____

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here: ☐

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10): _____

Line 2. Business Mortgage Interest Payments: _____

Line 3. Business Rent or Lease Payments: _____

Line 4. Business Utility Payments: _____

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3): _____

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5: _____

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13): _____

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7): _____

LOAN FORGIVENESS CALCULATION FORM



Paycheck Protection Program Loan Forgiveness Application

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:


The authorized representative of the Borrower certifies to all of the below by **initialing** next to each one.

- _____ The dollar amount for which forgiveness is requested:
- was used to pay costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; or business utility payments);
 - includes all applicable reductions due to decreases in the number of full-time equivalent employees and salary/hourly wage reductions;
 - ~~does not include nonpayroll costs in excess of 25% of the amount requested; and~~
 - does not exceed eight weeks' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$15,385 per individual.
- _____ I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.
- _____ The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.
- _____ I have submitted to the Lender the required documentation verifying payroll costs, the existence of obligations and service (as applicable) prior to February 15, 2020, and eligible business mortgage interest payments, business rent or lease payments, and business utility payments.
- _____ The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

PPP Schedule A



Enter Totals from the
PPP Schedule A
Worksheets

Paycheck Protection Program Loan Forgiveness Application		OMB Control Number 3245-0407 Expiration Date: 10/31/2020
		
PPP Schedule A		
<u>PPP Schedule A Worksheet, Table 1 Totals</u>		
Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1:		_____
Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1:		_____
Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1: If the average annual salary or hourly wage for each employee listed on the PPP Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll Covered Period was at least 75% of such employee's average annual salary or hourly wage between January 1, 2020 and March 31, 2020, check here <input type="checkbox"/> and enter 0 on line 3.		_____
<u>PPP Schedule A Worksheet, Table 2 Totals</u>		
Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2:		_____
Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2:		_____
<u>Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period</u>		
Line 6. Total amount paid by Borrower for employer contributions for employee health insurance:		_____
Line 7. Total amount paid by Borrower for employer contributions to employee retirement plans:		_____
Line 8. Total amount paid by Borrower for employer state and local taxes assessed on employee compensation:		_____
<u>Compensation to Owners</u>		
Line 9. Total amount paid to owner-employees/self-employed individual/general partners: This amount may not be included in PPP Schedule A Worksheet, Table 1 or 2. If there is more than one individual included, attach a separate table that lists the names of and payments to each.		_____
<u>Total Payroll Costs</u>		
Line 10. Payroll Costs (add lines 1, 4, 6, 7, 8, and 9):		_____
<u>Full-Time Equivalency (FTE) Reduction Calculation</u> If you have not reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period, check here <input type="checkbox"/> , skip lines 11 and 12 and enter 1.0 on line 13.		
Line 11. Average FTE during the Borrower's chosen reference period:		_____
Line 12. Total Average FTE (add lines 2 and 5):		_____
Line 13. FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if FTE Safe Harbor is met:		_____

WORKSHEETS



Table 1: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
FTE Reduction Exceptions:				
Totals:		Box 1	Box 2	Box 3

Table 2: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of more than \$100,000 for any pay period in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE
Totals:		Box 4	Box 5

TABLE 1



Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
FTE Reduction Exceptions:				
Totals:		Box 1	Box 2	Box 3

Cash Compensation: Enter the sum of gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act), and allowances for dismissal or separation paid or incurred during the Covered Period or the Alternative Payroll Covered Period. For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000, as prorated for the Covered Period; therefore, do not enter more than \$15,385 in Table 1 or Table 2 for any individual employee.

Average FTE: This calculates the average full-time equivalency (FTE) during the Covered Period or the Alternative Payroll Covered Period. For each employee, enter the average number of hours paid per week, divide by 40, and round the total to the nearest tenth. The maximum for each employee is capped at 1.0. A simplified method that assigns a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours may be used at the election of the Borrower.

FTE Reduction Exceptions: Indicate the FTE of (1) any positions for which the Borrower made a good-faith, written offer to rehire an employee during the Covered Period or the Alternative Payroll Covered Period which was rejected by the employee; and (2) any employees who during the Covered Period or the Alternative Payroll Covered Period (a) were fired for cause, (b) voluntarily resigned, or (c) voluntarily requested and received a reduction of their hours. In all of these cases, include these FTEs on this line only if the position was not filled by a new employee. Any FTE reductions in these cases do not reduce the Borrower's loan forgiveness.

SALARY/HOURLY WAGE REDUCTION



Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
FTE Reduction Exceptions:				
Totals:		Box 1	Box 2	Box 3

- This calculation is used to determine if each employee's salary or hourly wage reduced by 25% as compared to Quarter 1 2020
- This is only calculated for employees who were actually employed during the Covered/Alternative Covered Period

SALARY/HOURLY WAGE REDUCTION



Step 1. Determine if pay was reduced more than 25%.

- a. Enter average annual salary or hourly wage during Covered Period or Alternative Payroll Covered Period:
\$52,000. Paid \$8,000 during the covered Period ($\$8K/8 * 52$)
- b. Enter average annual salary or hourly wage between January 1, 2020 and March 31, 2020: \$78,000.
- c. Divide the value entered in 1.a. by 1.b.: 0.66.
If 1.c. is 0.75 or more, enter zero in the column above box 3 for that employee; otherwise proceed to Step 2.

Step 2. Determine if the Salary/Hourly Wage Reduction Safe Harbor is met.

- a. Enter the annual salary or hourly wage as of February 15, 2020: \$78,000.
- b. Enter the average annual salary or hourly wage between February 15, 2020 and April 26, 2020:
\$60,000.
If 2.b. is equal to or greater than 2.a., skip to Step 3. Otherwise, proceed to 2.c.
- c. Enter the average annual salary or hourly wage as of June 30, 2020: \$52,000.
If 2.c. is equal to or greater than 2.a., the Salary/Hourly Wage Reduction Safe Harbor has been met – enter zero in the column above box 3 for that employee. Otherwise proceed to Step 3.

Step 3. Determine the Salary/Hourly Wage Reduction.

- a. Multiply the amount entered in 1.b. by 0.75: \$58,500.
- b. Subtract the amount entered in 1.a. from 3.a.: \$6,500.

If the employee is an hourly worker, compute the total dollar amount of the reduction that exceeds 25% as follows:

- c. Enter the average number of hours worked per week between January 1, 2020 and March 31, 2020:
_____.

- d. Multiply the amount entered in 3.b. by the amount entered in 3.c. _____. Multiply this amount by 8: _____. Enter this value in the column above box 3 for that employee.

If the employee is a salaried worker, compute the total dollar amount of the reduction that exceeds 25% as follows:

- e. Multiply the amount entered in 3.b. by 8: \$52,000. Divide this amount by 52: \$1,000.
Enter this value in the column above box 3 for that employee.

FTE REDUCTION IN SAFE HARBOR



FTE Reduction Safe Harbor

A safe harbor under applicable law and regulation exempts certain borrowers from the loan forgiveness reduction based on FTE employee levels. Specifically, the Borrower is exempt from the reduction in loan forgiveness based on FTE employees described above if both of the following conditions are met: (1) the Borrower reduced its FTE employee levels in the period beginning February 15, 2020, and ending April 26, 2020; and (2) the Borrower then restored its FTE employee levels by not later than June 30, 2020 to its FTE employee levels in the Borrower's pay period that included February 15, 2020.

FTE Reduction Safe Harbor:

- Step 1. Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet Tables. Sum across all employees and enter:
_____ **89** _____.
- Step 2. Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in step 1: _____ **99** _____.
- Step 3. If the entry for step 2 is greater than step 1, proceed to step 4. Otherwise, the FTE Reduction Safe Harbor is not applicable and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.
- Step 4. Enter the borrower's total FTE as of June 30, 2020: _____ **95** _____.
- Step 5. If the entry for step 4 is greater than or equal to step 2, enter 1.0 on line 13 of PPP Schedule A; the FTE Reduction Safe Harbor has been satisfied. Otherwise, the FTE Reduction Safe Harbor does not apply and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.

PPP Schedule A

Enter Totals from the
PPP Schedule A
Worksheets

Calculate your FTES from the
various Periods and chose
lowest

- 2-15-19 to 6-30-2019
- 1-1-20 to 2-29-20
- Any consecutive 12 Week
Period between 5-1-2019
and 9-15-2019 (Seasonal
Employer)

Paycheck Protection Program Loan Forgiveness Application		OMB Control Number 3245-0407 Expiration Date: 10/31/2020
PPP Schedule A		
<u>PPP Schedule A Worksheet, Table 1 Totals</u>		
Line 1.	Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1:	_____
Line 2.	Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1:	_____
Line 3.	Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1: If the average annual salary or hourly wage for each employee listed on the PPP Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll Covered Period was at least 75% of such employee's average annual salary or hourly wage between January 1, 2020 and March 31, 2020, check here <input type="checkbox"/> and enter 0 on line 3.	_____
<u>PPP Schedule A Worksheet, Table 2 Totals</u>		
Line 4.	Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2:	_____
Line 5.	Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2:	_____
<u>Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period</u>		
Line 6.	Total amount paid by Borrower for employer contributions for employee health insurance:	_____
Line 7.	Total amount paid by Borrower for employer contributions to employee retirement plans:	_____
Line 8.	Total amount paid by Borrower for employer state and local taxes assessed on employee compensation:	_____
<u>Compensation to Owners</u>		
Line 9.	Total amount paid to owner-employees/self-employed individual/general partners: This amount may not be included in PPP Schedule A Worksheet, Table 1 or 2. If there is more than one individual included, attach a separate table that lists the names of and payments to each.	_____
<u>Total Payroll Costs</u>		
Line 10.	Payroll Costs (add lines 1, 4, 6, 7, 8, and 9):	_____
<u>Full-Time Equivalency (FTE) Reduction Calculation</u> If you have not reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period, check here <input type="checkbox"/> , skip lines 11 and 12 and enter 1.0 on line 13.		
Line 11.	Average FTE during the Borrower's chosen reference period:	_____
Line 12.	Total Average FTE (add lines 2 and 5):	_____
Line 13.	FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if FTE Safe Harbor is met:	_____

COLLECTING DATA FOR THE LOAN APPLICATION

DRAFT 1: CARES ACT PPP LOAN FORGIVENESS REPORT



Client Reports

Report Category: All

Search:

Output Name	Report Type
CA Retirement Savings - Initial Census	As Of Date
CA Retirement Savings - Ongoing Census	By Payroll Run
CA Retirement Savings - Ongoing Census FTP	By Payroll Run
CARES Act Retention Credit Report < 100 ees	By Payroll Run
CARES Act Retention Credit Report > 100 ees	By Payroll Run
CARES Paycheck Protection Program Report	Date Range
CARES PPP Loan Forgiveness Report	As Of Date
Certified Payroll Export	By Payroll Run
Certified Payroll Report	By Payroll Run
Check History Detail	Date Range

CARES Payroll Protection Program Forgiveness Report

Filtering

Report Data will include all payrolls within the Quarter/Year up to and including the As Of Date.

As Of Date: 5/19/2020

This report is available to run at the client level. If the Legal Company is left blank the report will be run for ALL Companies.

Legal Company:

Include Terminated Companies...: ☐

Options

Weekly FTE Hours Threshold: 40

Format: Excel

- You must contact your support rep to add to your environment
- You must include with your request your Loan Disbursement Date
- You must add a weekly FTE Threshold of 40 hours, per the new rules
- **DISCLAIMER:** This report was released last Friday May 15th, prior to the PPP Loan Application Update. The report can be used to compile data, but it is missing some of the latest updates to the PPP Loan Application. The updates will be in Phase 2 of the report with a scheduled release date of May 29, 2020

DRAFT 1: CARES ACT PPP LOAN FORGIVENESS REPORT



Employee Wage and FTE Detail

Employee Name	Period Begin Date	Period End Date	FTE Threshold Hours	Paid Hours	FTE	Wages
Candy Williams	4/15/2020	4/28/2020	80	0.00	0	0.00
Candy Williams	4/29/2020	5/12/2020	80	84.00	1	1,996.27
Candy Williams	Employee Total			84.00		1,996.27
Brittany Jones	4/15/2020	4/28/2020	80	81.04	1	1,727.82
Brittany Jones	4/29/2020	5/12/2020	80	84.00	1	1,796.55
Brittany Jones	Employee Total			165.04		3,524.37
Missy Richards	4/15/2020	4/28/2020	80	122.93	1	3,007.34
Missy Richards	4/29/2020	5/12/2020	80	115.25	1	2,605.61
Missy Richards	Employee Total			238.18		5,612.95
Lilith Rogers	4/15/2020	4/28/2020	80	98.68	1	2,220.17
Lilith Rogers	4/29/2020	5/12/2020	80	98.63	1	2,161.46
Lilith Rogers	Employee Total			197.31		4,381.63

FTE Estimates for Relevant Periods

Payrolls in Loan Period	Best Option - Highlighted (Used in Calculation)		Average FTE Loan Period	Percent Headcount Retention
	Average FTE Feb 15 - June 30, 2019	Average FTE Jan 1 - Feb 29, 2020		
4/15/2020 to 5/12/2020	26.74	29.50	20.76	78.00%
4/15/2020 to 5/12/2020	7.53	9.14	8.04	107.00%

**** Includes hours detail and FTE Calculations for the various FTE Calculation periods**

PHASE 2: CARES ACT PPP LOAN FORGIVENESS REPORT



Some Highlights:

- ❖ **Addition New Seasonal Period:** Option to include the new seasonal timeframe of a 12-week period between 5-1-2019 through 9-15-2019 as a chosen reference period'
- ❖ **Additional Tabs Available to Complete:**
 - Worksheet A, Table 1
 - Worksheet A, Table 2
 - Owner Employee Compensation
 - Schedule A

ADDITIONAL RESOURCES



Loan Forgiveness Calculator

Paycheck Protection Program (PPP) under the CARES Act

Draft as of May 20, 2020



Private Companies
Practice Section

How to use this calculator:

Blue cells indicate user input cells.

Green cells are ultimately carried over to the "PPP Forgiveness Calculator" tab, where the final estimated loan forgiveness will be calculated.

- 1 Enter key data into the "PPP Forgiveness Calculator" tab
- 2 Complete the "Non-Payroll Costs Tracker" tab
- 3 Complete the "FTE Input" tab
- 4 Complete the "Payroll Accumulator" tab
- 5 Calculate estimated loan forgiveness in the "PPP forgiveness calculator" tab
Subject to documentation and other authoritative guidance
Additional instructions are included on each tab.
- 6 Refer to the Forgiveness Application from the SBA for additional business information to have available when completing your forgiveness application. This will include your SBA PPP Loan number, Lender PPP loan number, and other details applicable to your specific loan.

Helpful Hints

- * Formulas in this spreadsheet are locked to maintain the integrity of the equations as they flow through the document. However, the ability to adjust rows and columns is not a locked feature. Depending on the sizing of a screen, certain rows or columns may appear cut off. Please re-size the applicable rows and columns as necessary to adjust to your computer's screen.
- * Based on guidance available as of May 20, 2020, there is a need to set up a formula on the PPP Forgiveness Calculator tab that results in a circular reference. If the circular reference is not working, please go to File -> Options -> Formulas and check the box at the top right to "Enable iterative calculations." See additional notes about this particular formula on the PPP Forgiveness Calculator and Non-Payroll Costs

NOTES: This template is based on interpretations of the CARES Act and guidance released through May 15, 2020. See links to aicpa.org/sba.
[The SBA forgiveness application is online here.](#)
There are areas of the Act where additional clarification from the Treasury and SBA is needed. ***Your judgement and interpretations of the Act may be necessary.***

What Documentation Must You Submit and/or Retain?

What must you Submit with your App?



- PPP Loan Forgiveness Calculation Form
- PPP Schedule A
- **Documentation verifying Payroll**
 - Bank account statement or third-party payroll service provider reports documenting cash compensation paid to employees
 - Tax Forms for periods that overlap the Covered Period (941, State quarterly and unemployment tax filings)
 - Payment receipts, cancelled checks or account statements documenting employer contributions to employee health insurance and retirement plans
- **Documentation Verifying FTEs**
 - You must provide documentation showing the average FTEs for your relevant periods
 - Didn't specify what type of documentation but said it may include payroll tax filings reports, or that will be reported to the IRS-- we assume you may provide our FTE calculation reports as support

What must you Submit with your App?



- **Non-Payroll**
 - Documents verifying the existence of the obligations prior to 2/15/2020
 - **Mortgage Interest-** Copy of lender amortization schedule and receipts or cancelled checks verifying payments during Covered Period
 - **Rent/Lease Payments-** Copy of lease agreement and receipts or cancelled checks verifying payment
 - **Utility Payments**
 - Invoices from February 2020
 - Invoices paid during the Covered Period (receipts, cancelled checks, and account statements)

What You must Maintain



- PPP Schedule A Worksheet or its equivalent
- Documentation supporting the listing of each individual employee in PPP Schedule A Worksheets Table 1 and Table 2 including the “Salary/Hourly Wage reduction if necessary
- Documentation regarding job offers and refusals, firings for cause, voluntary resignations, and written requests by any employee for reductions in work schedule
- Documentation supporting the “FTE Reduction Safe Harbor”

Note: You must retain all records associated with your Loan Forgiveness Application for 6 Years after the date the loan is forgiven or repaid in full

MORE COVID-19 QUESTIONS?



Reach out to your CTR Support Representative or submit your question on our COVID-19 INFO PAGE to receive the answer to your most-pressing questions.

Don't see an answer to your question? Fill out the form below and we'll get back to you ASAP!

Name*

First

Last

Email*

What's on your mind?

0 of 500 max characters

SUBMIT

From all of us at CTR

- Stay SAFE from COVID-19
- Stay SMART and INFORMED
- Stay KIND and support one another

To download informative and supportive COVID-19 posters & signs for your employees, please visit the World Health Organization @

<https://www.who.int/emergencies/diseases/novel-coronavirus-2019/advice-for-public>